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FISCAL IMPACT REPORT

SPONSOR Terrazas/Dow/Sanchez/Montoya/Hall **LAST UPDATED** _____
ORIGINAL DATE 2/22/2025
BILL
SHORT TITLE Off-Highway Motor Vehicles on Roads **NUMBER** House Bill 371
ANALYST Montano

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT*

(dollars in thousands)

Agency/Program	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
	No fiscal impact	No fiscal impact	No fiscal impact			

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent analysis of this legislation.

Sources of Information

LFC Files

Agency Analysis Received From

Department of Transportation (NMDOT)

Department of Public Safety (DPS)

Agency Analysis was Solicited but Not Received From

Taxation and Revenue Department (TRD)

SUMMARY

Synopsis of House Bill 371

House Bill 371 (HB371) amends the Off-Highway Motor Vehicle Act to grant local and county elected authorities the ability to authorize off-highway motor vehicles (OHVs) to operate on paved streets and highways within their jurisdictions. This bill removes the prior requirement for approval by the State Transportation Commission, giving local governments full control over OHV regulations in their areas.

The bill also allows local and county governments to establish their own speed limits and operating restrictions for OHVs operating on paved roads. It maintains existing prohibitions on OHV use on limited-access highways, freeways, and certain state-owned lands, unless specifically allowed by law.

FISCAL IMPLICATIONS

There are no fiscal implications with HB371.

SIGNIFICANT ISSUES

The Department of Transportation (NMDOT) contends that denying the State Transportation Commission (STC) and NMDOT the responsibility to regulate the types of vehicles that can access the streets and highways may negatively affect NMDOT's performance measures for safety with the federal government and performance measures established each year for the state.

From NMDOT:

HB371 further denies the STC and NMDOT the right to regulate vehicles that have access to paved roads or highways that NMDOT has sole responsibility for. HB371 is also in direct contravention of Section 66-7-303 NMSA 1978 (granting authority to regulate speeds zones on state highways and roads to the secretary of NMDOT) and Section 66-7-304 NMSA 1978 (requiring NMDOT approval of speed limits set by counties on state highways and roads).

The Manual of Uniform Traffic Control Devices (MUTCD), a national standard for traffic control devices, requires an engineering study be used to establish speed limits. The engineering study must be performed in accordance with traffic engineering practices. Many local and elected county officials do not have access to this area of expertise.

Posted speed limits are used to determine a variety of design features on a roadway, including but not limited to horizontal curvature, vertical curvature, intersection sight distance, stopping sight distance, horizontal clearance, need for barriers, etc. Establishing a higher speed limit for off-road vehicles would allow these vehicles to drive at faster speeds than the facility is designed for.

PERFORMANCE IMPLICATIONS

NMDOT states:

HB371 would require NMDOT to monitor and be familiar with numerous local and county rules and regulations that may be contrary to each other, instead of one set of rules established by the [State Transportation Commission (STC)].

ADMINISTRATIVE IMPLICATIONS

NMDOT states:

HB371 would also negate Commission Policy 71 in which the STC has already established rules for off-highway motor vehicles to operate on paved streets and highways.

Every county would be required to create speed limits and operating restrictions for OHVs, which may minimally increase administrative workloads.

NM/hj/hg